

Executive Registry
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o/DCI/alpha

4/30/77

18 March 1977

MEMORANDUM FOR: Mr. E. H. Knoche *referred*
Deputy Director of Central Intelligence

FROM : Mr. [redacted]
Deputy Executive Secretary

SUBJECT : Summary of Draft Article by [redacted]

1. At Tab A is a summary of a draft article written by [redacted] entitled "Intelligence Community - What to do About It" as requested.

2. At Tab B is a brief sketch of [redacted] Agency service and current status based on information in his letter and article to Admiral Turner.

3. At Tab C are two recent newspaper articles written by or about [redacted]

[redacted]
Deputy Executive Secretary

Attachments

EXECUTIVE REGISTRY FILE

18 March 77
o/DCI/alpha

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Bernie:

21 March 77

Attached is a summary of the
[redacted] draft article which he
sent to the DCI. I suggested the
format as responding to what the
DCI seems to like.

[redacted]

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[redacted]

[redacted]

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THE INTELLIGENCE COMMUNITY - WHAT TO DO ABOUT IT

DRAFT ARTICLE BY

SUMMARY

X1 examines the various proposals that have been made and changes that have occurred in the Intelligence Community as a result of recent investigations. He analyzes each proposal for change and argues against the proposal by citing his past professional intelligence experiences.

The main thrust of his article is that no reorganization of the Intelligence Community is necessary since neither of the two Congressional Committees found any evidence that the Community was "out of control," but rather they found that the Community (CIA) was highly responsive to the President.

The remainder of the article is devoted to an argument for passage of legislation which would provide effective criminal penalties for the unauthorized disclosure of sensitive intelligence sources and methods.

The legislative proposal would apply only to Intelligence Community employees and only to intelligence sources and methods. argues that if the Administration obtained passage of such legislation it would not only serve the purpose of preventing leaks but also serve to restore the "badly battered morale" of the professionals in the intelligence services.

MAIN POINTS OF ARTICLE

VARIOUS PROPOSALS FOR CHANGE

1. Separate DCI from CIA.
2. Create a new position on the President's Staff to coordinate and arbitrate between Intelligence Community elements.
3. Separate overt analysis, evaluation, research, and estimating functions from the covert action and clandestine intelligence collection functions of the CIA.
4. Limit DIA to the preparation of broad estimates distilled from contributions from the separate armed services, and sharply limit the size and scope of armed services intelligence agencies, thus reducing waste and duplication.
5. Reorganize the Intelligence Community and reshuffle the personnel because differences exist in determining the intent of Soviet leaders.

ARGUMENTS AGAINST CHANGE

1. Past DCIs have rejected the proposal because they found they would have to duplicate much of the staff structure already at their disposal in the CIA.
2. DCIs without substantive competence (staff) could not adjudicate differences between the agencies or speak with authority on White House councils.
3. Complete separation of the clandestine operator from the analyst, of the collector from the consumer, would turn the clock back some two decades and create problems for both. Past DCIs have found separating covert action and clandestine collection inefficient.
4. The policy planner or military commander can not afford to rely on one source or one agency for his intelligence. More specifically, it is unrealistic to think that the CNO or commander of SAC will depend on an organization in which he does not have command or control authority. Waste and duplication might be reduced if the size and scope of the armed services agencies were limited, but duplication is not only inevitable, it is indispensable in intelligence.
5. These differences are not likely to be resolved by theoretical debate nor by bureaucratic reorganization. Theoretical debates are conducted on the basis of ideology rather than evidence. The trouble with reorganizations is that they are frequently engineered by people lacking both the experience gained from past mistakes, and a clear understanding of the present functioning of the machinery they are trying to reorganize.

[Redacted]
March 4, 1977

Admiral Stansfield Turner
Director of Central Intelligence
Washington, D.C. 20505

Dear Stan:

First, belated but heartfelt congratulations! I can't think of a happier solution to a problem that had been troubling a lot of us old Agency hands perhaps more than you realize. During twenty seven years in the outfit I acquired a lot of friends there with whom I still keep up, and your appointment has done great things for their morale, badly battered as it was after all the recent attacks and revelations.

Also I've kept some of my old contacts on the Hill (I spent five years handling Agency liaison there before going over to OSD with Schlesinger) and you couldn't possibly be in better shape there. And why not? What better place to get your feet wet on intelligence problems than the Med, where you had every kind in the books (and no doubt some that aren't in any book).

Since retiring from OSD last summer I've been having a jolly time with some lecturing and writing, and in meeting with academic and civic groups I find there's still a lot of ignorance, and a lot of interest, about the intelligence business. In this connection, I'm off next week to confront some anti-CIA types at Michigan State. Originally they (the student group who is putting on the show) had invited [Redacted] who's been a campus hero and noisy critic of the Agency ever since [Redacted] to be my adversary. But they apparently changed their minds. Since [Redacted] has been such a pain the ass for all of us, I thought you might be amused at what at least one college group thinks of him, as indicated in the enclosed letter. That first paragraph might be good for a laugh at one of your staff meetings.

Also enclosed, for whatever interest it may be to some of your team, is a first, somewhat dated, draft of an article I hope to publish on "what to do about" the intelligence community. I just showed it this afternoon to Harry Rosenfeld, editor of the Outlook section of the Sunday Post, who says he might use it if I can spice it up a bit. I'd welcome suggestions from anybody up there who would care to comment.

I've got time to do what I like these days, and there's nothing I'd like better than to do something useful for my old alma mater, so give me a call if you ever run into any problems where I might be helpful - ~~maybe cashing some chits~~ *on The Hill* I've picked up for doing some favors, like escorting some of the fellows on a trip to the Med with a chance to partake of the enlightenment and hospitality provided by those guys in Naples!

Again, congratulations, and keep the flag flying!

All The best -



PS - Graham Clayton tells me he just had lunch with you & he sure is sorry he hasn't got you on his team!



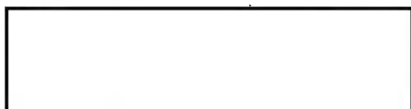
Associated Students

MICHIGAN STATE UNIVERSITY

STUDENT SERVICES BUILDING

East Lansing, Michigan 48824

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During the last few weeks we have been discussing the CIA-MSU symposium and have made some changes in our original proposition. I have decided not to invite [redacted] because in our correspondence and conversation he demonstrated that he was a hypocrite, immature and no more than an opportunist with very little factual information. To have [redacted] speak and issue rhetoric and slogans would be a disservice to the students.))

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In [redacted] instead I have invited three MSU faculty members who have been vocal critics of the CIA to appear with [redacted] Dr. F. Zolton Ferency, Prof. C. Patrick Larrowe and Dr. Walter Adams will collaborate, research and prepare a position, and Prof. Ferency and Prof. Larrowe will speak.

The dates we have set for the symposium are March 3 and March 7. If either of these dates are unacceptable we can re-schedule for the second week of April. Decision on dates and times, location, travel and hospitality will be made by Gary Wilson. Other arrangements will be handled by Mr. Wilson and myself.

Please forward the enclosed material to [redacted] has any questions please direct them to me. In the near future I would like to talk to [redacted] about the format of the symposium and help with any information he may need. We will also need biographical information on [redacted] for promotional purposes, preferably before February 23.

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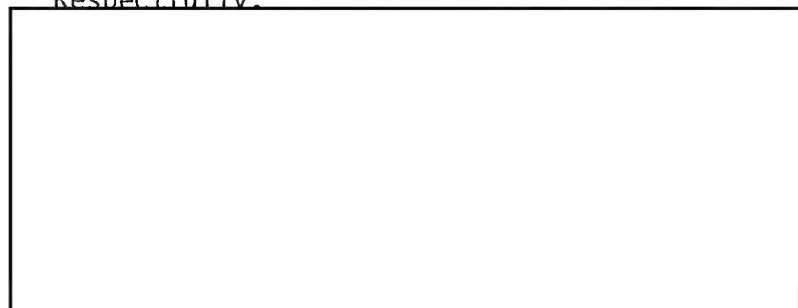
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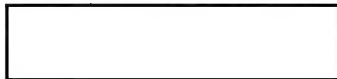
Thank you again for your assistance and consideration. If you have any comments or suggestions about the program, please do not hesitate to send them along.

Respectfully,



THE INTELLIGENCE COMMUNITY -- WHAT TO DO ABOUT IT

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As the new Administration settles into the job at hand it may discover that solutions to many of its most pressing problems turn on intelligence questions. During the campaign, the President-elect made a "solemn commitment" to the American people to maintain the present "rough equivalence" with the Soviet Union in the arms race. However, a number of authorities see this "rough equivalence" as already threatened by the relentless Soviet military buildup. Studies by the Library of Congress, by the Congressional Budget Office, and by the Institute of Strategic Studies, and the latest editions of Jane's volumes on the world's naval and air forces, all share the conclusion that the Soviet power position relative to that of the U.S. is steadily improving. More recently we have word that a group of distinguished outside experts, called in to review the current National Intelligence Estimate on long-range Soviet military intentions, finds this estimate is overly optimistic in failing to take account of the full scope and force of the Soviet strategic drive.

The President-elect was recently quoted in an interview with Time magazine as saying, "I wouldn't make any precipitous changes in the

intelligence community's functions until I know more about them." It is too soon to say whether this latest challenge by the outside experts to the judgments of our intelligence specialists will change the President-elect's views in this regard. However, when faced with such issues as the size of the Defense Budget, our future position in SALT negotiations, the Middle East situation, overseas troop reductions, the future of the B-1 bomber, or what to do about Africa, our new leadership must demand the best intelligence information available. This is especially true since most of the members of the new team are several years out of date in terms of firsthand knowledge and experience in such matters, and other members have had no official involvement in them at all.

✓ What kind of intelligence machinery will be needed to do the job ahead?

A number of suggestions have been offered -- some new, some going back for a number of years. One major proposal deals with the dual role of the Director of Central Intelligence (DCI) who is presently responsible both for running the CIA and for coordinating the activities of the intelligence community. The proposal is that these two functions be separated and the Director of the CIA be relieved of responsibilities over the intelligence community.

while a new position be established on the President's staff for a senior officer who will coordinate the activities of, and arbitrate differences among, the several intelligence agencies.

Another proposal of significance would bring about the abolition of the CIA in its present form and the creation of an overt "Central Institute of Foreign Affairs Research" to take over the CIA's present analysis, evaluation, research, and estimating functions. According to this proposal, CIA's covert action functions, sharply curtailed, would be turned over to "specifically trained personnel assigned to Clandestine Services or members of a Clandestine Services Staff."

Other proposals, past and present, have included the splitting of the clandestine intelligence collection functions of the CIA from the covert political and paramilitary action functions, both of which are now the responsibility of the CIA Operations Directorate. It has also been proposed that in order to avoid duplication, estimates and analyses on political subjects be the exclusive responsibility of the State Department, while those on military subjects be done by the Defense Department, leaving to CIA the handling of economic and scientific material. Another suggestion is that,

to avoid duplication, the military intelligence services be reorganized by limiting the responsibilities of the Defense Intelligence Agency to the preparation of broad estimates of common concern, while the individual armed services would be responsible for all matters within their particular competence and related to their respective missions.

Regarding the first of the above proposals — separating the Government's top intelligence official from the management of CIA and installing him in the White House — it is hard to see just what this would accomplish. Several past Directors of Central Intelligence have examined the idea and rejected it. John McCone, for one, was initially attracted to the proposal, but soon decided that to be effective in presiding over the intelligence community from a White House office, he would have to duplicate much of the staff structure already at his disposal in the CIA. On the other hand, without such staff support, he felt he would be a mere disembodied head, lacking substantive competence to adjudicate differences between the agencies or speak with authority in White House councils.

The second of the above proposals — that advanced by my old friend and colleague, former CIA Deputy Director Ray Cline — is more drastic. As noted,

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he would transfer the overt functions of CIA to a Central Institute of Foreign Affairs Research but he leaves obscure, perhaps purposely, the fate of the clandestine arm. It is hard to quarrel with his observation that "covert operations should not be too frequent or too large." But the complete separation of the clandestine operator from the analyst, of the collector from the consumer, would, I think, turn the clock back some two decades and create serious problems for both.

Speaking personally, I have had occasion to view this problem from several perspectives — eight years as an analyst and estimator in the "overt"

Congress. In the early days "overt" and "covert" sides of the Agency lived in different worlds, occupied different buildings, served different bosses, and were guided by different purposes and philosophies. The overt estimators and analysts worked mainly on the basis of State Department and military reports and material gleaned from the public press. The clandestine side of the Agency was

guarded "denied areas" to do much significant reporting, or indeed to try to learn what kind of reporting the consumers needed. The consumers, on the other hand, oblivious to the problems facing the clandestine operators, generated volumes of requirements with little regard to priorities or operational realities. Thus the consumer soon came to discount the work of the collectors, who failed to respond satisfactorily to their requirements, and derisively referred to them as the "spooks."

The "spooks" in turn became even sneakier, ignoring the requirements of the consumers and devoting their talents to efforts in the arcane world of counterintelligence, chasing the real or imaginary "spooks" of hostile intelligence services. Then, in the early 50's, the "spooks" were invited to play another exciting game — "covert action" — political and paramilitary operations designed to fight communist influence abroad. While it is hard to quarrel with the need for a sophisticated covert action capability in those days, or today, the enthusiasm with which the Dulles brothers and others in high office viewed these activities hardly helped with the more mundane job of collecting the priority intelligence badly needed by our policy makers and military commanders.

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collection potential. The quality and quantity of the resulting intelligence soon demonstrated the absurdity of the "deception" theory.

My reason for going into such detail on the Penkovskiy case is that it illustrates, I believe, the danger of any organizational or bureaucratic barriers between intelligence consumers and intelligence collectors. To be sure, the National Security Act of 1947 requires the Director of Central Intelligence to "protect intelligence sources and methods from unauthorized disclosure" but this can be done without denying to the collector the benefit of the specialized knowledge of the consumer in the absence of which the work of the collector would be largely meaningless, or denying to the consumer the necessary background information (not necessarily specific sources and methods) which he needs to give the report of the collector credibility and relevance.

The suggestion of splitting clandestine intelligence collection from clandestine political or paramilitary action is nothing new. It was tried in the early 50's and, among other things, complicated still further the relations between the collector and the consumer. It all began with a notion then prevalent that, because the Kremlin (so it was claimed) had won great

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Recent press stories regarding the challenge by outside experts of recent National Intelligence Estimates on Soviet intentions indicate serious problems in the national intelligence establishment, and suggest that drastic action may be called for. There may indeed be a problem here, but if past experience is any guide, the problem (if any) has been grossly distorted and exaggerated by the press. It seems to me the real problem is that a matter of highly sensitive intelligence significance has so quickly found its way into the public media in a manner which will make a solution to such problem as does exist far more difficult than would otherwise be the case. But from press accounts it appears that the only problem is that some experts have not agreed with other experts on a very important issue, but one which by its nature does not lend itself to precise measurement or judgment. It would appear that all parties to the alleged dispute recognize the current massive Soviet drive for strategic superiority, but differ in some degree as to the purposes and intentions which lie behind this drive. Does it signify a Soviet readiness and willingness to engage the West in a nuclear confrontation, or does it rather signify a Soviet desire to achieve a position of superior strength from which more effectively to pursue Soviet aims by means short of war? The difficulty here is that we

are talking about intentions. This has always been the slipperiest subject to confront the estimator, and it is particularly so when one is dealing with leaders of a closed society like that of the Soviet Union. These leaders live in an environment so remote from our own and share a philosophy, values, and perceptions so alien to those of the West that their intentions can never be discerned with precision. The result is that the perceptions and assumptions of Westerners when they seek to analyze these Soviet intentions are subject to wide-ranging differences. We will always have differences as to the scope and nature of the "Soviet threat" in the intelligence community just as we will always have such differences in our journalistic community, our academic community and our legislative communities. Intelligence officers, journalists, scholars, and Congressmen all share the same problem in trying to guess what may lie in the minds of the Politburo.

These differences are not likely to be resolved by theoretical debate.

Nor will they be resolved by bureaucratic reorganization or widespread personnel reshuffling. The trouble with theoretical debates is that they are often conducted on the basis of ideology rather than evidence. The trouble with reorganizations is that they are frequently engineered by people lacking in

both the experience gained from past mistakes, and a clear understanding of the present functioning of the machinery they are trying to reorganize. But they usually bring to their task a keen eye for the power and perquisites which may await the successful reorganizer at the completion of his task. Somehow the brainchild of his ingenuity often rewards him with high position in the new organization, a plush office, a convenient parking space, and a generously endowed secretary. However, these reorganizers seldom remain long to partake of the fruits of their labors. They have a knack for moving on to greener pastures before the dismal consequences of their handiwork catch up with them, leaving to others the task of living with, or cleaning up, the mess they have made.

Our intelligence agencies have gone through enough reorganizations lately, and they have suffered through some painful periods. No doubt some of their troubles have been of their own making. The CIA, for one, has been the victim of considerable misuse and abuse. But I think that a few basic facts, which have been generally ignored by the press, are worth noting: First, virtually all of the illegal, improper, or questionable activities which have been so widely publicized were uncovered not by zealous investigators from the media

or diligent Congressional scrutiny, but by CIA's own in-house investigations, mainly those initiated by James Schlesinger when he was Director and carried on by his successor, William Colby. Second, having been in charge of the

X1 [redacted] at the time, I can testify that the results of

these in-house investigations were promptly communicated to the Congressional committees having oversight responsibility for intelligence matters. Third, almost without exception, the questionable activities identified by these in-house investigations were terminated unilaterally by the Agency long before they were either publicized by the press or scrutinized by the Church Committee in the Senate or the Pike Committee in the House. Also virtually without exception, the controversial activities so widely publicized were undertaken by the Agency not on its own initiative, but only in response to direction from higher authority. As the leaked version of the Pike Report itself pointed out, "All evidence in hand suggests that the CIA, far from being out of control, has been highly responsive to the instructions of the President and the Assistant to the President for National Security Affairs." (This raises an interesting question: Would CIA's critics be more comfortable with an intelligence service which, like the FBI in the latter days of J. Edgar Hoover, was not responsive to higher authority?)

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No doubt our intelligence services have made some mistakes. They have paid heavily for their mistakes. They have paid even more heavily for the mistakes which were not of their own making but resulted from improper actions ordered by the White House. This is not the time for punishment, purges, or reorganizations. It is a time to look forward and to see what can be done to ensure that the new Administration has the best intelligence support that modern technology and human ingenuity can devise. But it can hardly expect such support if the delicate machinery which composes the intelligence community is subjected to another round of investigations, revelations, and reorganizations. More than any other agencies of government, the intelligence organizations must rely on the highest degree of dedication, discipline and loyalty among their personnel. In the intelligence business the opportunities and temptations for going astray are frequent, and when this happens the damage to the national interest may be incalculable. What the men and women of the intelligence business now need is a chance to get on with the job to which they initially committed themselves with such high resolve. In addition to the problems of morale which a major reorganization would create, many of the proposals mentioned above would require legislative action by the Congress. The resulting

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Realistically, there is little chance that any such legislation could find support in either the White House or the Congress. But under our present laws only communications intelligence enjoys any meaningful protection. In cases involving the disclosure of any other kinds of intelligence sources or methods it is necessary to prove beyond a reasonable doubt ~~that~~ the defendant's intention to harm the United States or aid a foreign power -- and as any trial lawyer knows, ~~axxxxx~~ intentions are almost impossible to prove conclusively. The intelligencd officer who seeks to betray his organization -- and his country -- normally risks prosecution only if he is apprehended in the act of delivering classified material to a known agent of a foreign intelligence service. ~~xxxxxx~~ He can accomplish the same purpose with impunity by ~~writing~~ leaking his information to an ever-eager press, ^{or} peddling it to a publicity-hungry congressman, ~~or~~ ^{or} better still, he can write books and articles, do TV talk shows

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information specifically designated by the Director
of Central Intelligence and the ^{heads} ~~heads~~ of the other
foreign intelligence agencies as relating to intelligence
"sources and methods" -- the ^{identities} ~~identities~~ of agents or the
details of technical collection systems. It would have
no application to other categories of classified
material. And it would be binding only on those
individuals who, by virtue employment or a contractual
relationship with an intelligence agency, voluntarily
assumed the obligation to protect source and method
information. It would have no application to anyone
not working in or for an intelligence agency.

An effort by the Administration to obtain passage of such legislation would not only serve the purpose of preventing leaks that often destroy the effectiveness of the best-planned and best-executed intelligence operations; it would, I am confident, also serve to restore the badly battered morale of that small army of dedicated professional men and women of the intelligence services. It would signify to them that the Administration which they are called upon to serve values their services, and is determined to protect the results of their labors with the secrecy which is essential to the effectiveness of any intelligence undertaking.

In pressing for such legislation, it may be appropriate to recall the comment of General Washington who, precisely two hundred years ago, penned the following words in a letter to Colonel Elias Dayton: "The necessity for procuring good intelligence is apparent and need not be further urged -- all that remains for me to add is that you keep the whole matter as secret as possible. For upon secrecy, success depends in most enterprises of the kind and for want of it, they are generally defeated however well planned."

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